

REMARKS

This reply is accompanied by a Request for Continued Examination (RCE). The above-identified patent application has been amended and reconsideration and reexamination are requested.

The examiner rejected claims 1-12, 14, and 16-24 under 35 U.S.C. § 102(b) as being unpatentable over Mosler *et al.* (US Patent 6,304,858, hereinafter called Mosler).

Claim 1, 12, and 20 have been amended to clarify the subject matter of the invention.

Mosler discloses transparently pricing interest rates swap contracts. A standardized contract is traded. The contract obligates a buyer and a seller to settle the contract based on a price of the contract at a first effective date. The contract is traded through an exchange or alternative trading mechanism (*e.g.*, a clearing agent) and cleared by a clearinghouse that guarantees payment to the buyer of any amount owed to the buyer from the seller as a result of the contract and that guarantees payment to the seller of any amount owed to the seller from the buyer as a result of the contract. (See Mosler Abstract and col. 4, lines 25-37).

Mosler fails to disclose at least the novel feature of determining whether an open position calls for a cash based margin protocol or an asset based margin protocol; and determining margin requirements according to the determined margin protocol, as positively recited by Applicants.

Applicants' claim 1, for example, requires determining which one of the two margin protocols is specified for an open position (determining whether an open position calls for a cash based margin protocol or an asset based margin protocol). For example, a conventional cash-based margin protocol may be used, or alternatively, an asset-based protocol, as disclosed by Applicants, may also be used. The protocol used is specified in the open position. The Asset-based Margin Protocol (AMP) replaces daily pays and collects of margin that occur with the cash-based protocol, with asset verification at the subscriber and guarantor levels. The Asset-based Margin Protocol can reduce the costs of participating in futures markets without compromising risk management. (See p. 21, lines 14-23 of Specification).

In contrast, Mosler merely discloses a method using a cash based margin protocol. Mosler is completely devoid of any suggestion of determining whether an open position calls for a cash based margin protocol or an asset based margin protocol and determining margin

requirements according to the determined margin protocol. That is, Mosler does not suggest or teach an ability to distinguish the need of a cash based margin protocol from the need of an asset based margin protocol for a method of clearing transactions. **

The three passages of text from Mosler, cited by the Examiner, do not disclose or suggest the features of Applicants' claim 1. The first cited text (col. 4, lines 46-61) merely describes a cash settled contract and roll over effects of an auto rollover contract. The second cited text (col. 12, lines 1-29) merely describes maintaining the margin requirements in relation to the arrival of effective dates and a contract being termed marked-to-market. The third cited text (col. 30, lines 43-52) is merely defines the terms "Margin," "Margining," and "Marking to market." These three passages of Mosler text, however taken together or in combination do not suggest, much less disclose, determining whether an open position calls for a cash based margin protocol or an asset based margin protocol and determining margin requirements according to the determined margin protocol. Mosler fails to suggest or describe an asset based margin protocol.

Therefore, claim 1 of Applicants is not anticipated by Mosler.

Claims 2 and 21 have been amended to correct typographical errors and antecedent basis.

Claim 12, which is a computer program product claim with limitations similar to claim 1, is allowable for the reasons discussed in support for claim 1. Claim 20, which is a system claim with limitations similar to claim 1, is allowable for the reasons discussed in support for claim 1.

Accordingly, the Applicants respectfully request that the rejections of claims 1, 12, and 20 be withdrawn.

Claims 2-11, 14, and 16-19, which depend directly or indirectly on claims 1 or 12, are allowable for at least the reasons discussed in support for claim 1. Moreover, these claims add additional distinctive features as discussed of record.

In view of the following discussion, the Applicants submit that none of the claims now pending is anticipated under the provisions of 35 U.S.C. § 102 (b). Thus, the Applicants believe that all of these claims are now in allowable form.

Accordingly, the Applicants respectfully request that the rejections of claims be withdrawn.

It is believed that all of the pending claims have been addressed. However, the absence of a reply to a specific rejection, issue or comment does not signify agreement with or

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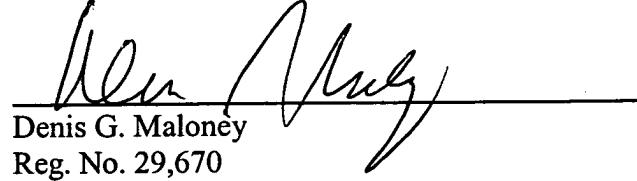
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concession of that rejection, issue or comment. In addition, because the arguments made above may not be exhaustive, there may be reasons for patentability of any or all pending claims (or other claims) that have not been expressed. Finally, nothing in this paper should be construed as an intent to concede any issue with regard to any claim, except as specifically stated in this paper, and the amendment of any claim does not necessarily signify concession of unpatentability of the claim prior to its amendment.

Please apply any other charges or credits to deposit account 06-1050.

Respectfully submitted,

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